

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF:**

**SPRIGGS, RICHARD M. and**  
**GIRAFFE LOGISTICS, LLC, their partners,**  
**officers and directors, agents, employees,**  
**members, affiliates, successors**  
**and assigns.**

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**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENT: RICHARD M. SPRIGGS**  
**and GIRAFFE LOGISTICS, LLC.**  
**2683 Wabash Circle**  
**Naperville, Illinois 60565**

**And**

**81 Townsend Circle**  
**Naperville, Illinois 60565**

**And**

**941 Whalehead Drive**  
**Corolla, North Carolina 27927**

**And**

**22 The Green Mayglare Abbey**  
**Maynooth, County Kildare**  
**Ireland**

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Richard M. Spriggs (at times hereinafter "Spriggs") at all times relevant herein had last known addresses of 2683 Wabash Circle, Naperville, Illinois 60565 and 81 Townsend Circle, Naperville, Illinois 60565; and 941 Whalehead Drive, Corolla, North Carolina 27927; and 22 The Green Mayglare Abbey, Maynooth, County Kildare Ireland.

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2. Respondent Giraffe Logistics, LLC (at times hereinafter "Giraffe") at all times relevant herein was a Delaware Limited Liability Company (established 8/5/2005) doing business in Illinois, with last known addresses of 2683 Wabash Circle, Naperville, Illinois 60565 and 81 Townsend Circle, Naperville, Illinois 60565 and 941 Whalehead Drive, Corolla, North Carolina 27927 and 22 The Green Mayglare Abbey, Maynooth, County Kildare Ireland.
3. Respondent Spriggs at all relevant times was a principal member of Giraffe Logistics, LLC.
4. In July 2007 Respondent Spriggs while acting on behalf of Giraffe solicited at least one individual (hereinafter "Investor") to purchase a 40% membership interest in Giraffe and to receive employment with Giraffe.
5. In November 2007 Investor paid Spriggs \$125,000 and in January 2008 Investor paid Spriggs an additional \$340,000 (total \$465,000) for the purchase of the 40% membership interest in Giraffe.
6. The activities described above in paragraphs 4-5 constitute the offer and sale of membership in a limited liability company (or an investment contract) and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

### **FRAUD IN SALE OF SECURITIES**

7. During the late 2007 negotiations between Spriggs and Investor, Spriggs made written and oral representations to Investor that in 2007 Giraffe had a net value of approximately \$13,000,000; and that Giraffe had 2007 profits of approximately \$1,162,000.
8. Spriggs further promised Investor that, as an employee of Giraffe, Investor would earn annual income of 40% of the represented annual profit of \$1,162,000 (\$464,800).
9. In fact, at the time of the sale, Giraffe had a net value of approximately \$7,000,000 (\$6,000,000 less than represented by Spriggs); and had annual profits of approximately \$150,000 (over \$1 million less than represented by Spriggs).
10. In reliance upon Spriggs' misrepresentations Investor quit his job to take employment with Giraffe, and purchased a 40% membership interest in Giraffe for the amount of \$465,000.
11. When confronted by Investor of the misrepresentations as to the value and profits of Giraffe, Spriggs caused Giraffe to repay Investor \$225,000 of the \$465,000 invested, leaving a deficit unpaid to Investor of \$240,000.

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12. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
13. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
14. By virtue of the foregoing, Respondents violated Sections 12.F and 12.G of the Act and will violate them again if they make further offers, or if they make any sales of Notes or other securities described above in the State of Illinois.
15. The aforementioned findings are based upon credible evidence.
16. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
17. The entry of this Temporary Order of Prohibition prohibiting Respondents, and their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Richard M. Spriggs and Giraffe Logistics, LLC**, their partners, officers and directors, agents, employees, members, affiliates, successors and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

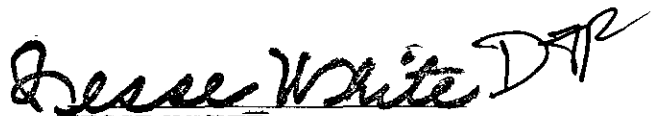
NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 9<sup>th</sup> day of August 2010.

A handwritten signature in black ink that reads "Jesse White" followed by a stylized "DAP" monogram.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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